

Message Text

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16

ACTION EA-14

INFO OCT-01 ISO-00 EB-11 COME-00 SCI-06 SCEM-02 INT-08

CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03 NSAE-00 NSC-10

PA-04 RSC-01 PRS-01 SPC-03 SS-20 USIA-15 TRSE-00

DRC-01 FPC-01 CG-00 /121 W
----- 066616

R 210700Z DEC 73

FM AMEMBASSY SINGAPORE

TO SECSTATE WASHDC 9825

INFO AMEMBASSY BANGKOK

AMEMBASSY JAKARTA

AMEMBASSY KUALA LUMPUR

AMEMBASSY SAIGON

AMEMBASSY TOKYO

CINCPAC

LIMITED OFFICIAL USE SINGAPORE 4904

CINCPAC FOR POLAD

E.O. 11652: N/A

TAGS: ENRG, SN

SUBJECT: PETROLEUM CUTBACKS, - SINGAPORE SITUATION

REF: SINGAPORE 4642

SUMMARY: GOS HAS CALLED FOR A 12.5 PERCENT REDUCTION
IN ELECTRICITY CONSUMPTION TO SAVE FUEL. MOTORISTS ARE
ALSO BEING URGED TO CUTBACK USE OF GASOLINE BY AN EQUAL
AMOUNT. CONSUMPTION OF ELECTRICITY SINCE START OF SAE
ENERGY CAMPAIGN IN NOVEMBER HAS DROPPED BY 5-10 PERCENT.
PRICES OF POL PRODUCTS INCREASED
DECEMBER 20. END SUMMARY.

1. SUPPLY OF CRUDE OIL TO SINGAPORE REFINERIES HAS
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DROPPED ABOUT 12.5 PERCENT SINCE BEGINNING OIL CRISIS.

TO PREVENT PASSING ON DISPROPORTIONATE SHARE OF CUTS
TO OTHER COUNTRIES SINGAPOREANS ARE BEING ASKED TO
REDUCE ENERGY CONSUMPTION 12.5 PERCENT.
CAMPAIGN'S MAIN TARGET IS ELECTRICITY USAGE WHICH
ACCOUNTS FOR ABOUT 50 PERCENT DOMESTIC ENERGY CONSUMPTION.
EFFORTS BY GOS TO DATE HAVE BEEN CALLS FOR VOLUNTARY
RESTRAINT ON PART OF PUBLIC. SO FAR WEEKLY ELECTRICAL
CONSUMPTION HAS BEEN DOWN 5-10 PERCENT.

2. TO ACHIEVE TARGETED FIGURE OF 12.5 PERCENT GOS
PASSED BILL NOVEMBER 18 PROVIDING THE NECESSARY
POWERS TO RESTRICT THE SUPPLY, DISTRIBUTION AND USE
OF PETROLEUM AND ELECTRICITY. IT ALSO PROVIDES PENALTIES
FOR THE PROHIBITED USE OF CARS (SIC) OR HOARDING OF GASOLINE
OR THE EXCESSIVE USE OF ELECTRICITY. DURING READING
OF BILL, FINANCE MINISTER HON SUI SEN SAID "...
WHILE THERE HAS BEEN A USEFUL DROP OF ELECTRICITY
CONSUMPTION SINCE THE START OF THE CAMPAIGN, WE HAVE
NOT ACHIEVED ANYTHING LIKE THE 12 TO 13 PERCENT SAVINGS
REQUIRED BY THE PRESENT LEVEL OF RESTRICTION IN
PETROLEUM SUPPLIES. WE MUST EXPECT THIS LEVEL TO GO
PROGRESSIVELY HIGHER IN THE COMING MONTHS. IT IS
CLEARLY UNLIKELY THAT VOLUNTARY RESTRAINTS ALONE WOULD
BE EFFECTIVE IN CUTTING DOWN THE OFTEN UNNECESSARY
CONSUMPTION OF ENERGY TO THE DESIRED EXTENT. COMPULSORY
MEASURES MUST THEREFORE BE CONSIDERED." SO FAR,
INDUSTRY HAS NOT BEEN ASKED TO REDUCE CONSUMPTION OF
INDUSTRIAL FUEL. PRIME MINISTER HAS SAID
SEVERAL TIMES THAT INDUSTRY WILL BE PROTECTED. IN
SPEECH DECEMBER 16, HE SAID, "IT IS BETTER TO TRADE
DOMESTIC COMFORT FOR JOBS AND INDUSTRIAL PRODUCTION."

3. FOLLOWING ARE NEW PRICES FOR PETROLEUM PRODUCTS
ANNOUNCED BY MINISTRY OF FINANCE DECEMBER 20:
ALL PRICES IN SINGAPORE DOLLARS -- UNIT - IMPERIAL GALLON

PRODUCT	FORMER PRICE	PRICE INCR.	NEW PRICE
PREMIUM GASOLINE	\$2.25	\$.39 INCL	\$2.64
#-#18 TAX			

REGULAR GASOLINE	\$2.10	.29 INCL	\$2.39
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DIESEL	.66	.12	.78
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KEROSENE, FUEL OIL AND INDUSTRIAL DIESEL OIL WENT
UP ZNU\$.10, DOL .045 AND DOL .068, RESPECTIVELY.
ONE OIL COMPANY SPOKESMAN SAID THAT WHILE OIL COMPANIES

WERE STILL STUDYING SITUATION, THE NEW PRICES WERE
NOT TOO FAR FROM WHAT THEY HAD WANTED.

4. BUNKER SITUATION UNCHANGED (SEE REFTTEL). THOSE
LINES WITH LOCAL CONTRACTS STILL RECEIVING FUEL ON
REGULAR BASIS THOUGH AT HIGHER PRICE. SOME SHIPPING
LINES HAVE REPORTED DELAYS IN RECEIVING BUNKERS DUE
TO FACT THAT NOMINATIONS FOR BUNKERS BY SHIP OWNERS
GENERALLY MUST BE PROCESSED THROUGH OIL COMPANY OFFICES
IN U.S. OR U.K. BEFORE LOCAL OIL COMPANIES CAN SUPPLY
FUEL.

5. PORT OF SINGAPORE AUTHORITY OFFICIAL TOLD EMBASSY
OFFICER THAT CARGO PASSING THROUGH PORT IS ABOUT SAME
LEVEL AS BEFORE CRISIS EXCEPT FOR POL PRODUCTS. HE
SAID THAT FEW SHIPS IN PORT HAVE BEEN IDLED, BUT THIS
MAY BEGIN TO HAPPEN SOON. SINGAPORE'S TRADE
FIGURES WILL THEN BEGIN TO REFLECT THE BUNKER SUPPLY
SITUATION, PARTICULARLY AS TRAMPS ARE NOT ABLE TO FIND
BUNKERS IN SINGAPORE NOW. PRESUMABLY, HOWEVER, THEY
ARE STILL ABLE TO PICK UP FUEL IN MALAYSIAN AND
INDONESIAN PORTS.

COMMENT: SO FAR SINGAPOREANS HAVE EXPERIENCED NO
HARDSHIP OR DISCOMFORT DUE TO OIL CRISIS, EXCEPT FOR
PRICE INCREASES. IF CONCERTED EFFORT WAS MADE
ENERGY CONSUMPTION COULD BE CUT DOWN 10 PERCENT WITH
LITTLE VISIBLE EFFECT ON COUNTRY EXCEPT FOR DARKENED
STREETS. HOWEVER, TO GO PAST 10 PERCENT CUTBACK WILL
BEGIN TO PINCH. GOS LEADERS HAVE WARNED CITIZENS THAT
THEY FACE SOME HARDSHIPS AHEAD. NEW BILL PUTS TEETH
IN GOS SAVE ENERGY CAMPAIGN AND WILLENSURE THAT
ENERGY CONSUMPTION IS CUTBACK TO DESIRED LEVELS.
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